

CF Ruffer Gold Fund

Achieving capital growth by investing principally in gold and precious metal related companies



March 2016 Issue 148

During March, the fund's O accumulation shares rose 4.1% from 108.76p to 113.71p. This compares to a 1.9% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price fell by 0.5% in US dollars and by 3.6% in sterling.

This has been something of a 'sideways' month for gold and gold mining equities. At the beginning of March the gold price continued the upward trajectory established in January and February, reaching a peak on 11 March. Over the remainder of the month the gold price drifted lower, finishing the month 3.8% below its peak. This reflected a continued recovery in risk appetite amongst global investors, with the S&P Index and emerging market currencies rallying strongly during the month. Gold miners performed better than one might have expected over this period, given the negative implications for margins of the fall in the gold price and rise in currencies which are important for their cost base. As we noted in February, the performance of gold this year has demonstrated that it can still play a role in a balanced portfolio and the relatively steady performance of gold stocks this month probably reflects a re-assessment of their value as a structural part of a portfolio. Certainly there has been an upsurge of interest in the sector, although we believe that most non-specialist investors are still focused on large capitalisation stocks and investment through gold mining ETFs.

Our largest positive contributors to performance this month were Kinross and Goldcorp (+12% and +10% respectively, in sterling terms). Kinross's phased expansion plan for Tasiast (one of its key mines) was well received by the market as the project has a higher return than expected and the phased approach materially reduces the associated financial risk. We have long seen Kinross as a very cheap stock and are optimistic that the plan outlined will be a catalyst for a re-rating of the stock to a more reasonable relative valuation. Goldcorp recovered much of the ground lost at the end of February when the new CEO reset expectations for future production sharply lower.

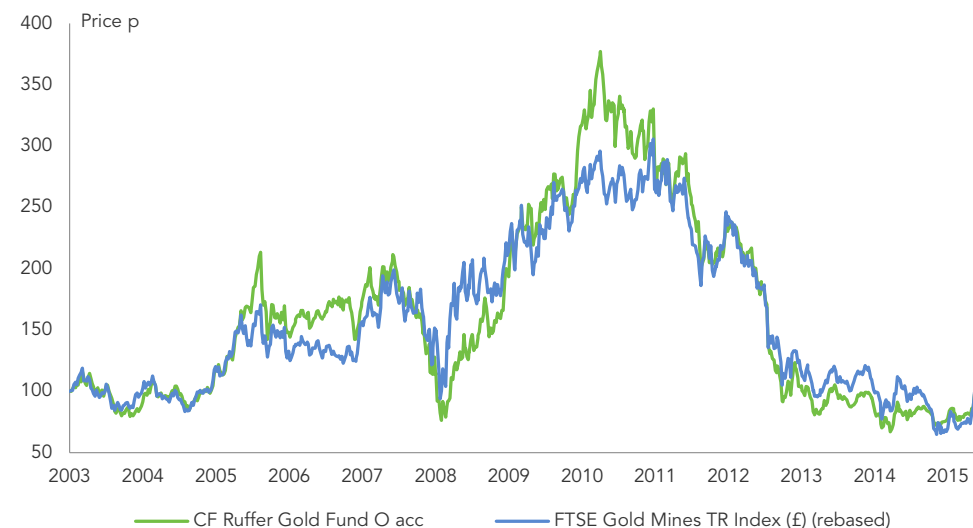
One of our largest negative contributors to performance was Endeavour Mining (-8% in sterling terms) which fell on the announcement of its bid for True Gold Mining. True Gold Mining will add another low cost mine in Endeavour's region of focus (West Africa) and we see the acquisition as another positive step forward.

Whilst we believe it is likely that the shift in investor sentiment towards gold is structural, there remains plenty of scope for this to be challenged in the year ahead, given the solidity of the US economy. In this context, we are continuing to manage our exposure to stocks which offer only generic beta to the gold price and tilting the portfolio slightly further towards special situations, as these offer a better risk/reward balance. During the month, we initiated several mid/small cap positions which offer exciting upside potential in a flat gold price environment.

Investment objective

The fund aims to achieve capital growth over the long term by investing principally in gold and precious metal related companies within the mining industry.

Performance since launch on 1 October 2003



Performance %	March 2016	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	4.1	39.0	39.2	-37.5	-65.7	-38.9

Percentage growth (O acc)	%	Share price as at 31 March 2016	p
31 Mar 2015 – 31 Mar 2016	39.2	O accumulation	113.17
31 Mar 2014 – 31 Mar 2015	-15.6	C accumulation	114.46
31 Mar 2013 – 31 Mar 2014	-46.8		
31 Mar 2012 – 31 Mar 2013	-28.3		
31 Mar 2011 – 31 Mar 2012	-23.5		

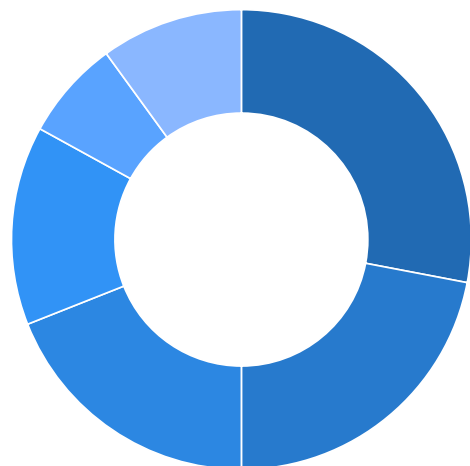
Source: Ruffer LLP

The fund's prospectus and key investor information documents are provided in English and available on request or from www.ruffer.co.uk. Please note that CF Ruffer Investment Funds is a UK UCITS. The CF Ruffer Gold Fund is not registered for distribution in any country other than the UK.

Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

CF Ruffer Gold Fund as at 31 March 2016

Portfolio structure



	%
• North America	28
• Africa	22
• Australia	19
• Asia	14
• South America	7
• Cash	10

Capitalisation breakdown

% market exposure	Size	Market cap
17.7	Large	US\$5bn+
26.1	Mid	US\$1-\$5bn
38.5	Small	US\$0-\$1bn

10 largest of 111 holdings (representing 81 companies)

Stock	% of fund	Stock	% of fund
Silver Wheaton	5.6	Goldcorp	3.8
Endeavour Mining	4.9	Evolution Mining	3.3
AngloGold Ashanti	4.6	Lake Shore Gold	3.2
Northern Star Resources	4.4	Regis Resources	3.0
Kinross Gold	4.3	Mandalay Resources	2.9

Source: Ruffer LLP

The views expressed in this report are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of Ruffer LLP at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice.

The information contained in this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Ruffer LLP has not considered the suitability of this fund against any specific investor's needs and/or risk tolerance. If you are in any doubt, please speak to your financial adviser.

The fund data displayed is designed only to provide summary information and the report does not explain the risks involved in investing in the fund. Any decision to invest must be based solely on the information contained in the Prospectus, Key Investor Information Document and the latest report and accounts.

Fund size £553.9m

Fund information

%	O class	C class
Ongoing Charges Figure	1.66	1.33
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	0.23	0.36
Minimum investment	£1,000	
Ex dividend dates	15 Mar, 15 Sep	
Pay dates	15 May, 15 Nov	
Dealing	Weekly forward to 10am Wednesday, based on NAV Plus forward from 10am on last Wednesday of the month to last business day of the month	
ISIN	O class GB0033628156	C class GB00B8510Q93
SEDOL	3362815	B8510Q9
Investment adviser	Ruffer LLP	
ACD	Capita Financial Managers Limited	
Depositary	BNY Mellon Trust & Depositary (UK) Limited	
Auditors	Grant Thornton UK LLP	
Structure	Sub-fund of CF Ruffer Investment Funds (OEIC) UK domiciled UCITS Eligible for ISAs	

Enquiries

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

+44 (0)20 7963 8254
rif@ruffer.co.uk
www.ruffer.co.uk

Fund Manager

Paul Kennedy

RESEARCH DIRECTOR



Joined Ruffer in 2012 from L.E.K. Consulting. He holds a degree in Jurisprudence from Oxford University and an MBA with Distinction from London Business School. He has many years of experience evaluating investments across industry sectors and has managed the CF Ruffer Gold Fund since February 2015.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 March 2016, assets managed by the Ruffer Group exceeded £18.2bn, of which over £9.4bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL.

Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2016